



Media release

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## Many Kiwis unaware of our 'one size fits all' superannuation scheme

The majority of New Zealanders think New Zealand Superannuation (NZ Super) is income or asset tested including some already receiving it, according to the results of New Zealand's first Adult Financial Knowledge Survey.

Most people know that the age of eligibility for NZ Super is 65, but just over 60 percent either thought superannuation was income tested or did not know, and just over 50 percent thought it was asset-tested or did not know.

Even more surprising was that some of those close to retirement or already receiving super did not know the details. A quarter of 55 to 64 year olds, a fifth of 65-74 year olds and a third of those aged 75 or more thought it was income tested. Twenty-nine percent of those over 65 either thought it was asset tested or did not know.

NZ Superannuation is neither asset nor income tested and is available to everyone aged 65 or over who meets the residency criteria, except for some exemptions such as prison inmates. A single person living alone receives a net amount of about \$13,000.

Only a third of respondents correctly gave the amount as \$13,000 while a quarter thought it was lower, a quarter did not know and 13 percent thought it was higher. Of retired respondents, 20 percent did not know the correct amount and of those aged 75 or more, almost 25 percent did not know.

Funded by the ANZ, the ANZ-Retirement Commission Financial Knowledge survey was commissioned by the Retirement Commission with the support of the Ministry of Economic Development. It involved face to face interviews with 856 people. The results provide the first real measure of New Zealanders' level of financial literacy and set a benchmark to measure future knowledge trends.

Retirement Commissioner Diana Crossan said that New Zealand's almost universal superannuation was a cornerstone of the country's retirement income policy framework and it was of concern that many Kiwis were unaware of its details.

"It is possible that some people may not be saving for their retirement because they believe superannuation is income or asset tested. Knowledge of our superannuation system is an area of personal financial knowledge that needs improving."

Ms Crossan said the Retirement Commission would use the results to tailor its public education programmes. "The more people know about money management, the better they can be at short and long term planning. With New Zealand's relatively deregulated financial market it is even more important that people know about personal finance issues."

ANZ National Bank Chief Executive Graham Hodges said: "This survey provides the first comprehensive picture of adult financial knowledge in New Zealand. It establishes the benchmark for ongoing measurement and forms the basis for financial institutions, regulators and government to address the issues that are causing the greatest problems for consumers.

"By empowering people with the appropriate financial skills, knowledge and information, they are better placed to make informed decisions about their money and plan for the future," says Mr Hodges.

The financial literacy survey also covered questions on financial planning, consumer rights, attitudes and behaviours and understanding of financial terms.

The main objectives of the research were to identify areas of low financial knowledge to assist with education programmes, to set benchmarks to measure knowledge trends, and to assist the financial services industry to identify the financial skills, products or services which are causing the greatest problems.

The Retirement Commission urges New Zealanders wanting to learn more about personal finances to visit the Commission's independent personal finance website [www.sorted.org.nz](http://www.sorted.org.nz).

For a summary of the ANZ-Retirement Commission Financial Knowledge Survey findings visit [www.retirement.org.nz](http://www.retirement.org.nz)

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